

31 January 1964

**MEMORANDUM FOR:** Mr. Bromley Smith  
White House Staff  
The White House

**SUBJECT :** Effects of Western Credits to the USSR

1. The attached analysis of the effects of various levels of Western credits to the Soviet Union will be of particular interest to you.

2. We estimate that the equipment involved in the Soviet program for expanding its chemical industry will cost approximately \$5 billion, of which approximately \$2 billion would have to be imported from the West if Khrushchev's plans are to proceed on schedule. Of the equipment needed from the West, approximately \$1 billion could be financed without expanding the present levels of credit or extending the terms of repayment. Thus, what is involved is approximately \$1 billion in imports which we feel will have to be financed by additional Western credits. (This, of course, does not include Soviet import requirements for other sectors of the Soviet economy.)

3. The attached paper assesses the effects of various alternative credit patterns for financing the importation of the additional \$1 billion worth of equipment. I believe this to be the first systematic approach to the whole question of Western credits to the Soviet Union, and I think it is worth your perusal.

**CHESTER L. COOPER**

J - O\DD\I Assistant Deputy Director (Intelligence)  
J - O\DD\I CHLOHO (Policy Support)  
J - JOHN C. JULKE

Attachment: "Estimated Effects of Various Possible Levels of Western Credits to the USSR," CIA/RE CB 84-8, dated January 1964

DISTRIBUTION:

Identical memo sent to Messrs. Kaysen, Thompson, Ball, Harriman, Bostow, Tyler, G. G. Johnson, Trexise, V. Bundy, H. Rowen, Amory, Hansen, Hodges, Roosevelt, and Freeman